

**Secretary Eric Boyette**  
**Remarks to Joint Appropriations Committees on Transportation**  
**February 25, 2021**

- I arrived at DOT late last winter – almost a year ago now – in the midst of a difficult fiscal situation and just a few weeks before the pandemic hit North Carolina.
- During the legislative session this past summer, the General Assembly passed legislation requiring more financial oversight, restructuring the Board of Transportation, and requiring increased transparency and reporting.
- The department is in a much better financial position now than when I arrived:
  - Our cash balance has stabilized.
  - Maintenance activities and project lettings are increasing.
  - We were able to lift our hiring freeze.
  - While we still have work to do, our financial situation has never been more transparent.
- Like all organizations, DOT has faced challenges brought on by the pandemic:
  - The revenue drop in the early stages of the pandemic compounded our financial challenges.
  - Revenues have since stabilized but are lower than last fiscal year.
  - Overall, our employees and the organization adapted well to remote work where possible, but many of our jobs just don't allow for it.
  - It has been particularly hard on DMV employees and on the services DMV provides. These are some of our most public facing employees, and we had to put measures in place to reduce risks to their health and the health of our customers as much as possible.
  - Driver license office closures have created a backlog that we are still working through. The Commissioner put in place a system for driving tests that can take place without an examiner in the vehicle, but because of space limitations we cannot conduct these at all locations.
  - We have experienced issues with title processing and issuance.
  - The move to Rocky Mount, while in the best long-term interest of DMV, increased employee turnover, which compounded these issues.
  - Many of our ferry employees are also public facing, in jobs they cannot perform remotely. We've reduced capacity on our ferry runs and taken other steps to protect employees and customers.

- But like everyone, the department has adapted. We'll keep working to serve the people of the state as best we can under the circumstances.
- And in some ways, we have been able to contribute to recovery.
- The department's public transit program has worked with local transit systems using COVID relief dollars to transport North Carolinians without transportation to receive their vaccines. While these are not DOT employees, we still consider them part of our team.
- Through our Unmanned Aircraft Systems Integration Pilot Program with FAA, our drone partner Zipline delivered PPE to Novant Health.
- Moving forward, one of my main priorities is to strengthen the growing trust between DOT and the legislature and the public:
  - I and my staff are available to you to respond to questions or assist with problems. I'd like to introduce a few of my executive staff members here with me today.
    - Chief Operating Officer Beau Memory
    - Deputy Secretary for Intergovernmental Affairs Johanna Reese
    - Commissioner of Motor Vehicles Torre Jessup, who's team has just overseen the successful move of DMV's headquarters to Rocky Mount.
- We are also working to restore and strengthen relationships with our many other stakeholders – industry partners who are an integral part of delivering our programs and services, the Department of the State Treasurer, the Office of the State Auditor, and others.
- I want to see progress on several fronts over the next four years:
  - Accountability – Staff at every layer of the organizational chart needs to be more aware of finances in their programs. It is not just a job for our finance staff, it's everyone's job. You'll hear more about this in the highway division presentation next week.
  - Sustainability – We must structure programs to create a steady and sustainable level of spending based on revenues and industry capacity, and maintain our cash balance within a range that supports such spending but allows for contingencies such as large natural disasters and smaller rain and ice storms as we've seen recently.
  - Delivery – I want to see closer coordination between all modes of transportation – not roads separate from rail separate from ferries. All programs need to act in coordination to meet the mobility and economic needs of the state.

- Modernization:
  - We need to adjust processes and use technology to improve efficiency and customer service.
  - We need to modernize our workforce. We struggle with recruitment and retention in some of our position categories. It is hard for us to compete with private sector salaries, and we need to attract younger and more diverse employees to the agency. With much of our workforce nearing retirement age, succession planning is critical. We must prepare those mid-way through their careers to move up into leadership and management.
- And finally, we all must think about future funding for transportation infrastructure and services.
  - Many stakeholders have become concerned about the sustainability of the current transportation revenue structure.
  - The NC FIRST Commission and others have produced some great reports offering possible solutions.
  - This is a large policy problem, and we need to start the conversation to figure out how to address it.
- We look forward to working with you to meet the needs of the people of the state.